

*Annual Report*  
*To Stockholders*  
*Dec. 31, 1947*

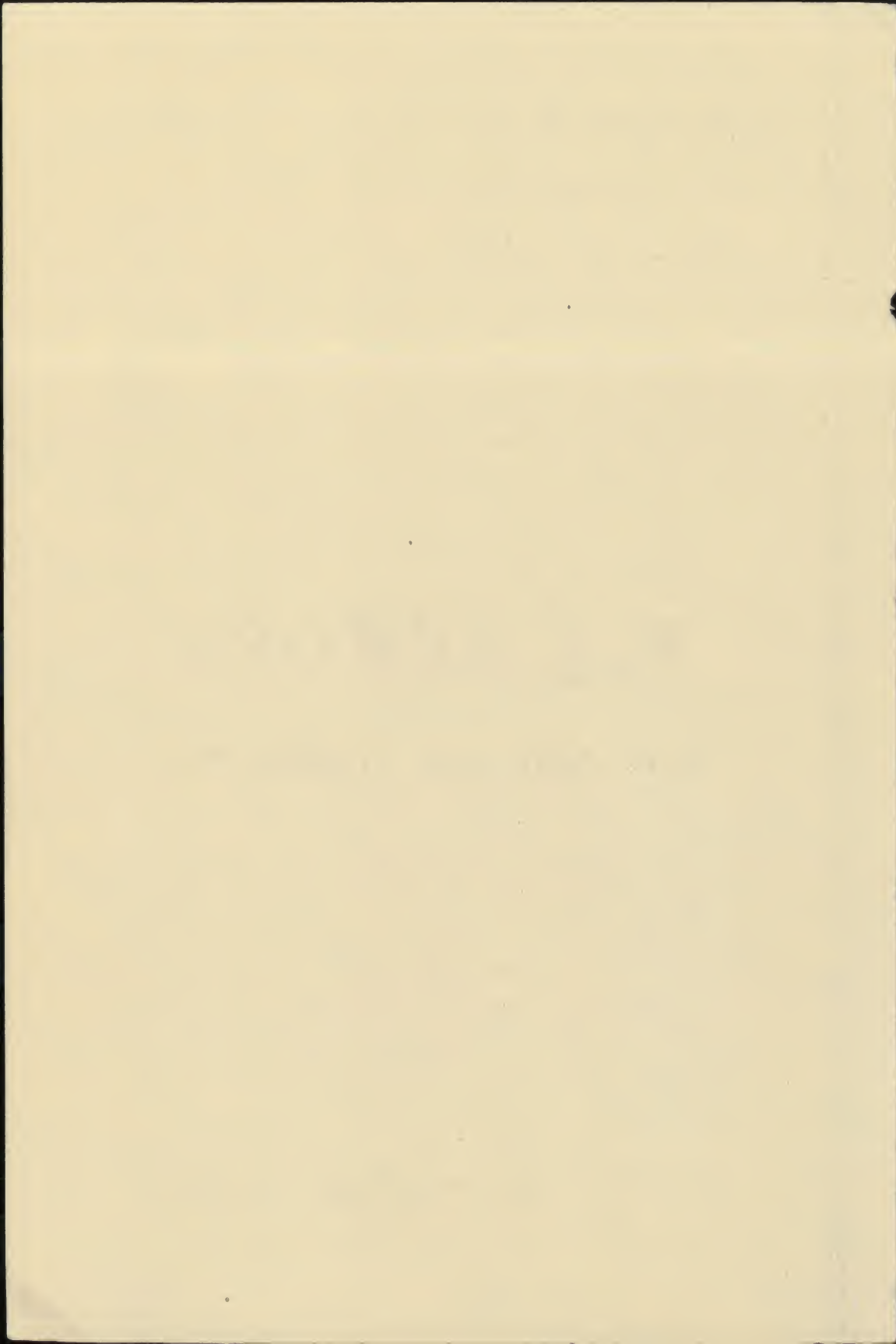
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V. J. ELMORE

5c-10c AND \$1.00 STORES, INC.

\* \* \*

Birmingham, Alabama



Report of

MRS. V. J. ELMORE

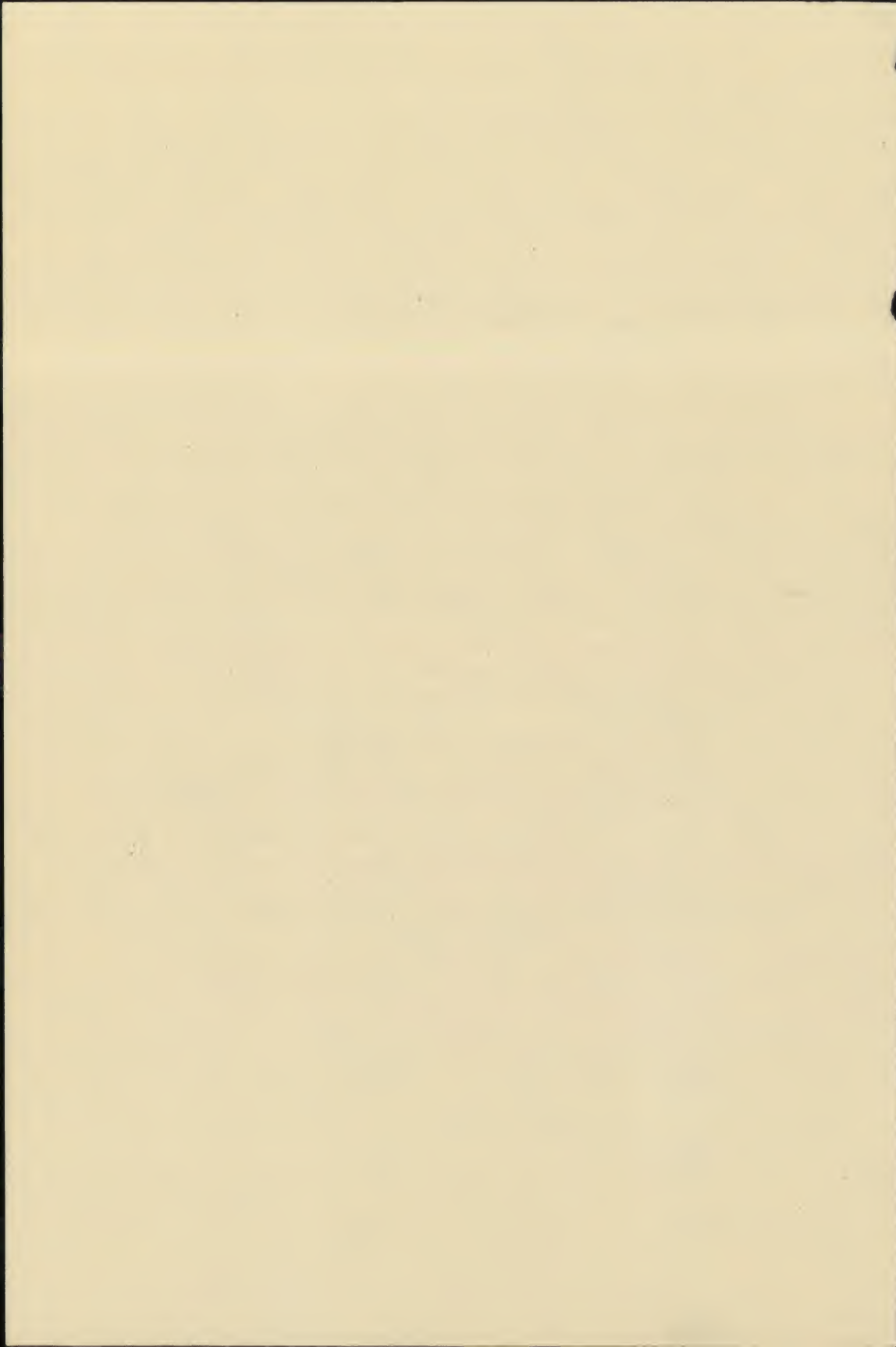
President

at the

Fourteenth Annual Meeting

of Stockholders

February 24, 1948



February 24, 1948

TO THE STOCKHOLDERS:

The Statement of Condition of your Company and the results of its operations in 1947 are presented as a part of this report.

Sales for the year were satisfactory and net profit was sufficient to pay dividends and increase earned surplus \$149,515.91.

United States Treasury Notes Tax Series "C" were owned in amount of \$162,135.00, which amount, with accruals, is deducted from our liability for Federal Income Taxes and is so shown on the year-end balance sheet.

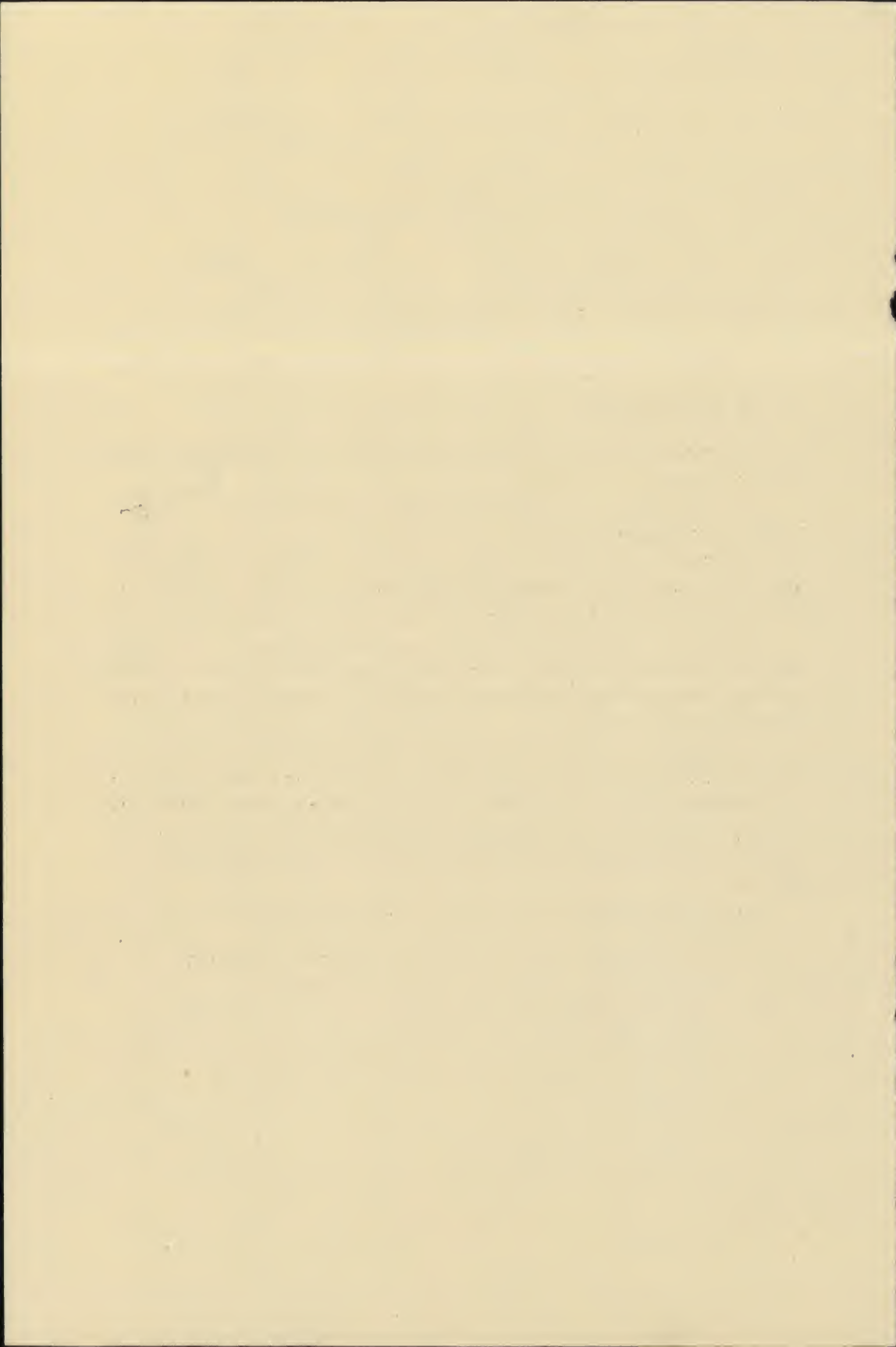
During the year the number of stores in operation was increased to fifty-one, an additional unit having been opened at Homewood, Alabama. The Birmingham office and warehouse building has been enlarged and in addition a quonset hut erected to provide adequate warehousing facilities.

A satisfactory rate of inventory was maintained and inventory position at December 31, 1947 was satisfactory. It is the intention to adhere to the policy of keeping inventories on a conservative basis and yet, by well balanced stocks, to fulfill our obligation to customers.

I wish to thank the Directors and Officers for their counsel and advice and the entire personnel for their unsparing attention and efforts resultant in another satisfactory year of operation.

With best wishes to each of you, this report is respectfully submitted.

MRS. V. J. ELMORE,  
President.





ERNST & ERNST  
Accountants and Auditors  
System Service  
BIRMINGHAM

January 26, 1948.

Board of Directors  
V. J. Elmore 5c, 10c and \$1.00 Stores, Inc.  
Birmingham, Alabama.

We have examined the balance sheet of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., as of December 31, 1947, and the statements of profit and loss and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary, except that we did not have representatives present at the time physical inventories were taken at the fifty-one retail stores operated by the Company.

Merchandise inventories on hand at the retail stores and at the warehouse are based upon physical counts which were made under supervision of the management from December 27, 1947, to January 10, 1948, and adjusted for intervening transactions to December 31, 1947. The store inventories are priced at cost as determined by the retail inventory method, and the warehouse inventory is priced at the lower of cost or market as determined by the first-in, first-out method of inventory valuation. We were present at the warehouse at appropriate times during the taking of inventories, observed the procedures followed in determining quantities, and made test counts of items appearing in the inventories. We also reviewed the application of the retail inventory method and related computations, and tested the pricing, extensions, and the footings of the inventories.

In our opinion, subject to the limitation of the scope of our examination with respect to inventories as set forth in the first paragraph of this report, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., at December 31, 1947, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

BALANCE

V. J. ELMORE 5c, 10c AN

DECEMBER

## ASSETS

## CURRENT ASSETS

## Cash:

Demand deposits .....	\$ 572,032.90	
Cash for deposit .....	4,787.65	
Office and store funds .....	12,265.00	\$ 589,085.55

## Merchandise inventories:

At stores—at cost as determined by the retail inventory method .....	\$ 465,225.02	
In warehouse—at lower of cost or market .....	298,370.53	
In transit—at cost .....	34,593.84	798,189.39

TOTAL CURRENT ASSETS .....		\$1,387,274.94
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## INVESTMENTS AND OTHER ASSETS

United States Treasury Bonds of 1951-53 held in escrow—at cost .....	\$ 51,406.25	
Interest accrued on bonds .....	291.67	\$ 51,697.92
Cash surrender value of life insurance .....	2,649.00	
Miscellaneous deposit .....	1,000.00	
Advances to employees .....	1,325.43	56,672.35

## LAND, BUILDINGS, AND EQUIPMENT—at cost

Land .....	\$ 18,000.00	
Office and warehouse building .....	\$ 134,947.05	
Fixtures and equipment .....	309,020.99	
Automobiles and trucks .....	22,810.62	
	\$ 466,778.66	
Less reserves for depreciation .....	208,948.67	257,829.99
Improvements to leaseholds .....	\$ 83,833.80	
Less reserves for amortization .....	62,009.84	21,823.96
		297,653.95

## DEFERRED CHARGES

Unexpired insurance premiums .....	\$ 15,457.50	
Warehouse inventory of store supplies .....	4,319.73	
Prepaid rent .....	103.31	19,880.54
		\$1,761,481.78



SHEET  
ND \$1.00 STORES, INC.

31, 1947

# LIABILITIES

## CURRENT LIABILITIES

Accounts payable and accrued expenses:

Trade accounts .....	\$ 159,530.93	
Salaries and bonuses .....	26,767.94	
Pay roll taxes and taxes withheld from employees .....	39,190.67	
Sales and retailers excise tax .....	31,518.94	\$ 257,008.48
Federal and state taxes on income—estimated .....	\$ 183,200.00	
Less United States Treasury Notes—Tax Series "C" at cost plus interest accrued .....	162,135.00	21,065.00
<b>TOTAL CURRENT LIABILITIES .....</b>		<b>\$ 278,073.48</b>

## CAPITAL STOCK AND SURPLUS

Capital stock:

First preferred stock, par value \$100.00 per share (entitled to \$100.00 per share, plus accumulated dividends upon liquidation: Authorized 4,000 shares, issued and outstanding: 837 shares of 7% cumulative .....	\$ 83,700.00	
1,390 shares of 5% cumulative .....	139,000.00	\$ 222,700.00

Common stock, Class "B"—no par value, stated value \$16-2/3 per share, dividends of \$1.00 per annum cumulative, preferred over other common stock only as to dividends: Authorized, issued and outstanding 6,000 shares .....	100,000.00
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Common stock, Class "A"—no par value, stated value \$16-2/3 per share, 2,500 shares authorized, 342-1/4 shares restricted for issue upon exercise of Class "A" Warrants (Note A); issued and outstanding 2,091 shares .....	34,850.00
	<b>\$ 357,550.00</b>

Surplus:

Capital surplus .....	\$ 12,263.83		
Earned surplus .....	1,113,594.47	1,125,858.30	1,483,408.30
			<b>\$1,761,481.78</b>

See Note to Balance Sheet.

## NOTE TO BALANCE SHEET

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

December 31, 1947

Note A—At December 31, 1947, there were 1,000 Class "A" warrants authorized to be sold as part of units with first preferred stock and thereafter to be exercised in the purchase of Class "A" common stock. Class "A" warrants issued in units with 7% first preferred stock are to be exercised in the purchase of Class "A" common stock for \$100.00 per share; Class "A" warrants issued in units with 5% preferred stock are to be exercised in the purchase of Class "A" common stock for \$25.00 per share. 657-3/4 warrants have been issued of which 650-1/4 warrants have been exercised in the purchase of Class "A" common stock, and the remaining 7-1/2 issued warrants are outstanding. No voting power is granted to the holder of these warrants. On August 29, 1942, the Board of Directors authorized a bonus to certain of the Company's employees payable in 5% first preferred stock. 487-1/4 shares of this stock with a total par value of \$48,725.00 was issued, but the Class "A" warrants which the Articles of Incorporation provide must be issued with each share of preferred stock were not issued, and to date no action had been taken pertaining to the issuance of these warrants.

## CONDENSED PROFIT AND LOSS STATEMENT

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

Years ended December 31, 1947, and December 31, 1946

	Year	
	1947	1946
Net sales .....	\$4,495,263.45	\$4,439,248.71
Cost of goods sold .....	2,847,300.68	2,792,954.12
<b>GROSS PROFIT</b> .....	<b>\$1,647,962.77</b>	<b>\$1,646,294.59</b>
Selling and administrative expenses .....	1,220,286.03	1,149,845.47
<b>OPERATING PROFIT</b> .....	<b>\$ 427,676.74</b>	<b>\$ 496,449.12</b>
Other income .....	45,949.54	27,855.03
	\$ 473,626.28	\$ 524,304.15
Other deductions .....	554.73	885.41
<b>PROFIT BEFORE TAXES ON INCOME</b> .....	<b>\$ 473,071.55</b>	<b>\$ 523,418.74</b>
Taxes on income:		
Provision for the year—estimated:		
Federal normal income tax and surtax .....	\$ 175,500.00	\$ 193,500.00
State income taxes .....	7,700.00	11,900.00
Over*—under provision for prior years .....	1,425.80	89.14*
<b>TOTAL TAXES ON INCOME</b> .....	<b>\$ 184,625.80</b>	<b>\$ 205,310.86</b>
<b>NET PROFIT</b> .....	<b>\$ 288,445.75</b>	<b>\$ 318,107.88</b>
Deduct adjustments applicable to prior years due to Revenue Agent's Report—net .....	29,991.58	—0—
<b>BALANCE TRANSFERRED TO SURPLUS</b> .....	<b>\$ 258,454.17</b>	<b>\$ 318,107.88</b>
Provision for depreciation and amortization on properties, fixtures, and equipment included above: 1947—\$51,684.70; 1946—\$53,309.86.		

### STATEMENT OF SURPLUS

	Capital	Earned	Total
Balance at January 1, 1947 .....	\$ 11,961.74	\$ 914,078.56	\$ 926,040.30
<b>ADDITIONS</b>			
Balance transferred from profit and loss .....	—0—	258,454.17	258,454.17
Restoration of reserve for enlargement of warehouse and office building .....	—0—	50,000.00	50,000.00
Proceeds from sale of stock in excess of stated value thereof .....	302.09	—0—	302.09
	\$ 12,263.83	\$ 1,222,532.73	\$ 1,234,796.56
<b>DEDUCTIONS</b>			
Dividends paid .....	—0—	108,938.26	108,938.26
<b>BALANCE AT DECEMBER 31, 1947</b> .....	<b>\$ 12,263.83</b>	<b>\$ 1,113,594.47</b>	<b>\$ 1,125,858.30</b>

## OFFICERS

MRS. V. J. ELMORE

President

W. F. RAINER

Assistant to the President

W. I. SMITH

Vice-Pres. and Merchandise Manager

JOHN W. POWERS, JR.

Vice-Pres., Real Estate

W. A. WILLIS, JR.

Secretary and Treasurer

G. F. PARR

Vice-Pres., Budgeting

C. O. HESTER

Assistant Secretary and Buyer

## DIRECTORS

MRS. V. J. ELMORE

President

Birmingham, Alabama

W. I. SMITH

Vice-Pres., and Merchandise Manager

Birmingham, Alabama

F. J. CALLEN

Pres., Peoples Savings Bank

Clanton, Alabama

G. F. PARR

Vice-Pres., Budgeting

Birmingham, Alabama

JOHN W. POWERS, JR.

Vice-Pres., Real Estate

Birmingham, Alabama

W. A. WILLIS, JR.

Secretary and Treasurer

Birmingham, Alabama

GRADY REYNOLDS

Reynolds & Reynolds, Attys.

Clanton, Alabama

W. F. RAINER

Assistant to the President

Birmingham, Alabama



V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

Executive and Buying Offices

And Warehouse

10 South Fourteenth Street

Birmingham 5, Alabama

STORES

Abbeville, Alabama	Greenville, Alabama
Aberdeen, Mississippi	Guntersville, Alabama
Alabama City, Alabama	Haleyville, Alabama
Albertville, Alabama	Hartselle, Alabama
Alexander City, Alabama	Homewood, Alabama
Amory, Mississippi	Iuka, Mississippi
Andalusia, Alabama	Jasper, Alabama
Athens, Alabama	Marion, Alabama
Atmore, Alabama	Monroeville, Alabama
Attalla, Alabama	North Birmingham, Alabama
Bay Minette, Alabama	Oneonta, Alabama
Boaz, Alabama	Opp, Alabama
Brewton, Alabama	Ozark, Alabama
Brundidge, Alabama	Prattville, Alabama
Carbon Hill, Alabama	Russellville, Alabama
Clanton, Alabama	Samson, Alabama
Clayton, Alabama	Scottsboro, Alabama
Decatur, Alabama	Sylacauga, Alabama
Demopolis, Alabama	Talladega, Alabama
Eufaula, Alabama	Tallassee, Alabama
Eutaw, Alabama	Troy, Alabama
Evergreen, Alabama	Tuscumbia, Alabama
Fairfield, Alabama	Tuskegee, Alabama
Fayette, Alabama	Union Springs, Alabama
Fort Payne, Alabama	Wetumpka, Alabama
Greensboro, Alabama	







